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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549



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Form 13F

Form 13F COVER PAGE

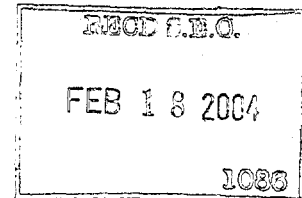
CONFIDENTIAL TREATMENT EXPIRES

Report for the Calendar Year or Quarter Ended: December 31, 2003

Check here if Amendment [ ] ; Amendment Number: \_\_\_\_\_  
 This Amendment (Check only one.): [ ] is a restatement.  
 [ ] adds new holdings entries.

Institutional Investment Manager Filing this Report:

Name: RELATIONAL INVESTORS LLC  
 Address: 11975 El Camino Real, #300  
San Diego, CA 92130

Form 13F File Number: 28-06854

The institutional investment manager filing this report and the person by whom it is signed hereby represent that the person signing the report is authorized to submit it, that all information contained herein is true, correct and complete, and that it is understood that all required items, statements, schedules, lists, and tables, are considered integral parts of this form.

Person Signing this Report on Behalf of Reporting Manager:

Name: Jay N. Sittani  
 Title: Director of Operations  
 Phone: (858) 704-3336

Signature, Place, and Date of Signing:

J. Sittani San Diego, CALIFORNIA 2/13/04  
 [Signature] [City, State] [Date]

Report Type (Check only one.):

- [X] 13F HOLDINGS REPORT. (Check here if all holdings of this reporting manager are reported in this report.)
- [ ] 13F NOTICE. (Check here if no holdings reported are in this report, and all holdings are reported by other reporting manager(s).)
- [ ] 13F COMBINATION REPORT. (Check here if a portion of the holdings for this reporting manager are reported in this report and a portion are reported by other reporting manager(s).)

List of Other Managers Reporting for this Manager:  
 [If there are no entries in this list, omit this section.]

Form 13F File Number Name

28- \_\_\_\_\_  
 [Repeat as necessary.]

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## Report Summary:

Number of Other Included Managers: 1  
Form 13F Information Table Entry Total: 2  
Form 13F Information Table Value Total: \$ 157,465  
(thousands)

## List of Other Included Managers:

Provide a numbered list of the name(s) and Form 13F file number(s) of all institutional investment managers with respect to which this report is filed, other than the manager filing this report.

[If there are no entries in this list, state "NONE" and omit the column headings and list entries.]

No.	Form 13F File Number	Name
28-		

[Repeat as necessary.]

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## Form 13F INFORMATION TABLE

COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5		COLUMN 6	COLUMN 7	COLUMN 8		
NAME OF ISSUER	TITLE OF CLASS	CUSIP	VALUE (X\$1000)	SHRS OR PRN AMT	SH/ PUT/ PRN CALL	INVESTMENT DISCRETION	OTHER MANAGERS	VOTING AUTHORITY		
								SOLE	SHARED	NONE
Mellon Financial Corp.	COM	58551A108	\$107,517	3,348,400	SH	SOLE		3,348,400		
Automatic Data Processing Inc.	COM	053015103	\$ 49,948	1,261,000	SH	SOLE		1,261,000		

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BN J.C. Penney Draws \$54.5 Mln Investment From Activist Whitworth  
Aug 22 2003 11:36

## J.C. Penney Draws \$54.5 Mln Investment From Activist Whitworth

Aug. 22 (Bloomberg) -- Activist investor Ralph Whitworth purchased a \$54.5 million stake in J.C. Penney Co., raising the possibility that the retailer will face increased pressure to sell its Eckerd drugstore chain.

Relational Investors LLC, a San Diego money management company run by Whitworth and David Batchelder, bought 2.73 million J.C. Penney shares during the second quarter, according to a filing with the Securities and Exchange Commission.

J.C. Penney shares have declined almost 14 percent so far this year, slowing Chief Executive Officer Allen Questrom's effort to rebuild the nation's second largest department store operator. Many investors think that Plano, Texas-based J.C. Penney would thrive if management sold the drugstores and concentrated on retailing general merchandise.

"Why not cash it in now and get people's eyes on the department store, where there has been a tremendous turnaround," said Robert Olstein, president of the Olstein Financial Alert Fund, which owns about 1.3 million J.C. Penney shares.

Whitworth, the former chairman of an investor advocate organization called the United Shareholders Association, declined to comment on his plans for J.C. Penney. Relational Investors often purchases small initial stakes in businesses and acquires additional stock while pursuing managerial or strategic changes.

At Waste Management Inc., Whitworth stepped in as chairman amid an accounting scandal and helped bring new management to the nation's largest U.S. trash hauler. Relational Investors holds 7.32 million Waste Management shares.

### Whitworth's Moves

One of Whitworth's most far-reaching efforts was at Tektronix Inc., a Beaverton, Oregon, maker of test and measurement instruments. Tektronix shares quadrupled between March 1999 and July 2000, during which time Whitworth joined the board and pushed the company to sell its computer printer and digital broadcast businesses.

"Whitworth was a catalyst behind changes in the board, at the management level, and also in the company's operating strategy," said Paul Knight, an analyst at Thomas Weisel Partners LLC, who followed Tektronix during the company's restructuring.

This will be the second time that J.C. Penney has attracted the attention of an activist investor. Corporate raider Carl Icahn in May 2000 received approval from the Federal Trade Commission to invest at least \$15 million in J.C. Penney.

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Icahn, famous for his attempts to get RJR Nabisco Holdings Corp. to separate its food and tobacco businesses, never pushed for change at J.C. Penney. ``That really didn't go anywhere,`` said Tim Lyons, a J.C. Penney spokesman.

#### Drugstore Decision

Questrom said in a conference call last week that he expects to be in a position to make a decision on the drugstore chain's future at year-end.

The drugstore business, acquired by J.C. Penney in February 1997 for about \$3.3 billion, had operating profit of \$54 million during the second quarter ended July 26, down from \$73 million during the same period last year.

Questrom said in an August 12 earnings release that Eckerd's sales and operating profits were ``clearly disappointing.``

J.C. Penney shares fell 11 cents to \$20.01 at 11:32 a.m. in New York Stock Exchange composite trading.

--Miles Weiss in Washington (202) 624-1879 or at  
mweiss@bloomberg.net. Editor: Mirabella.

Story Illustration: For a chart illustrating sales growth at J.C. Penney's department store and drugstore chains, see {JCP US <Equity> DES6 <GO>}.

#### Company News:

JCP US <Equity> CN

#### NI Codes:

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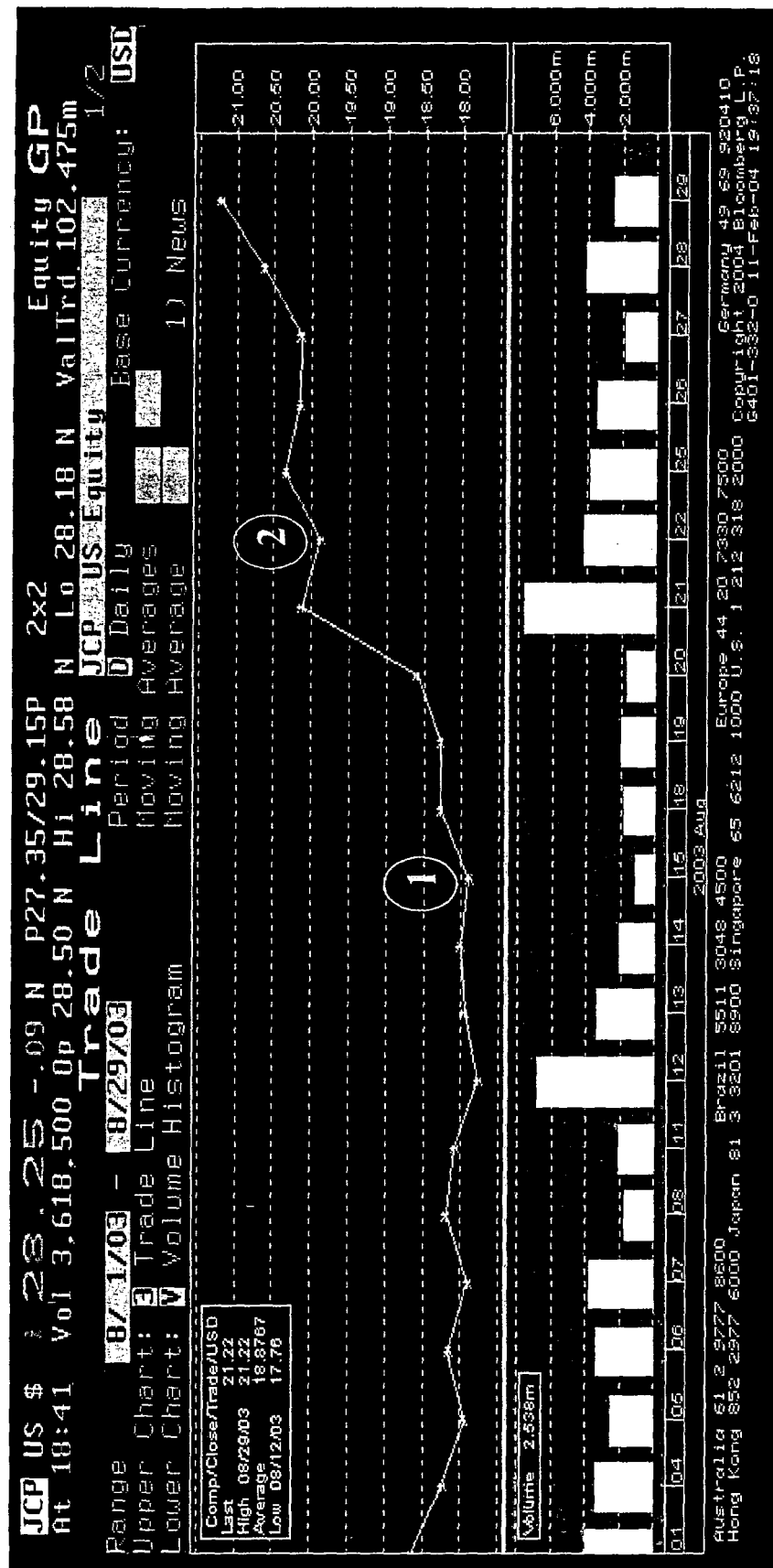
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# J.C. Penney Company Inc.

## August 2003 Stock Chart

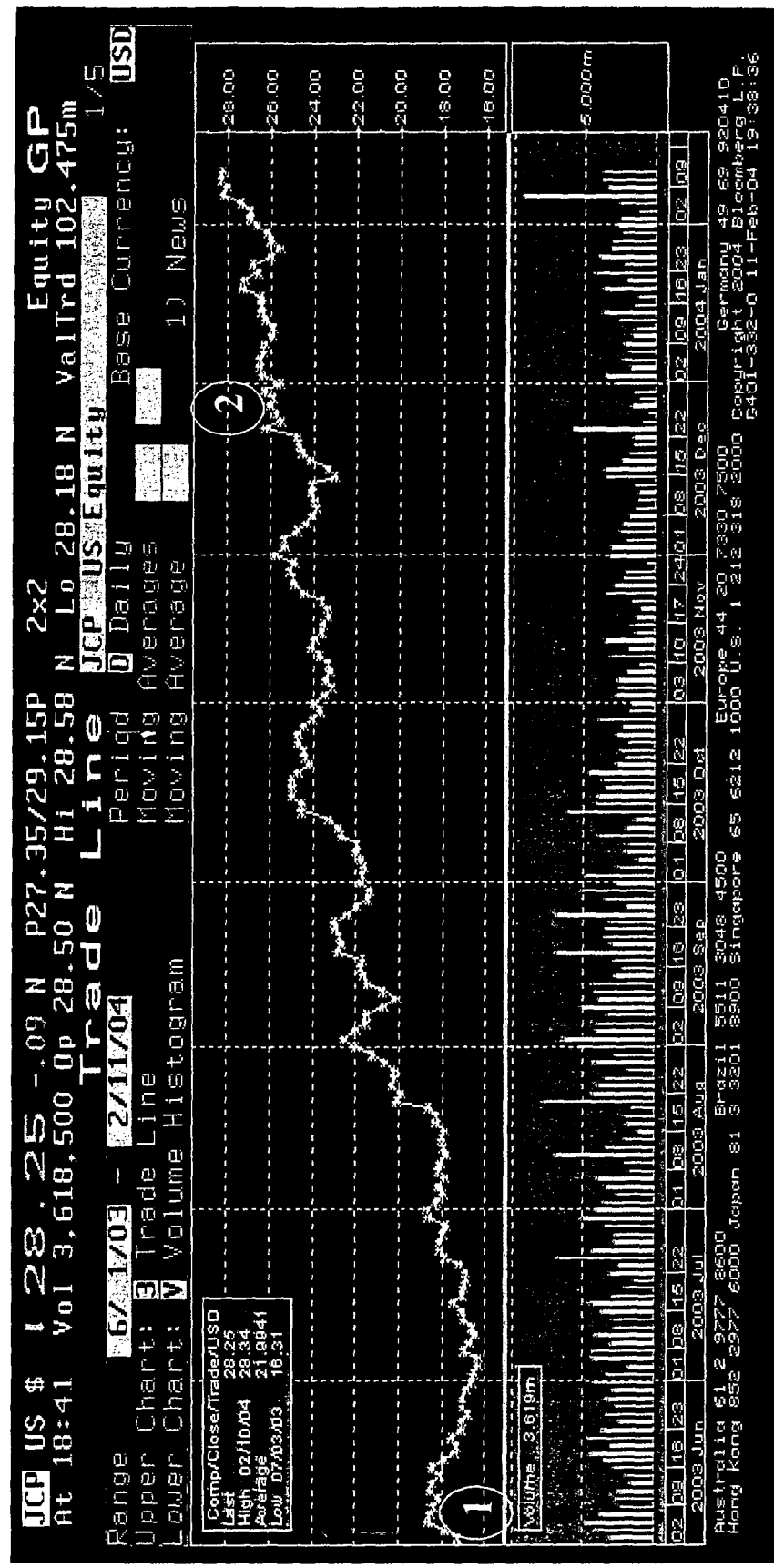


1. August 14, 2003 – Relational Investors LLC's Public 13F filing disclosing J.C. Penney Company Inc. ownership
2. August 22, 2003 – Bloomberg story on Relational Investors LLC filing
3. No major news on J.C. Penney Company Inc. between August 14, 2004 and August 22, 2003



# J.C. Penney Company Inc.

## June 1, 2003 - February 11, 2004 Stock Chart



1. June 6, 2003 – Initial Relational Investors LLC's purchase in J.C. Penney Company Inc.
2. December 31, 2003 – J.C. Penney Company Inc. stock closes at \$26.28

**RELATIONAL INVESTORS LLC  
TEKTRONIX, INC.  
Buy Program Details**

Investment: \$110.6 million

Purchase: December 14, 1998 through May 18, 1999

Sale: July 13, 2000 through October 20, 2000

Purchase Execution: Relational's total buy program in Tektronix was spread over five distinct interim buy programs which started on the following dates:

1. Buy Program #1 started December 14, 1998 / ended January 5, 1999 (486,900 shares)
2. Buy Program #2 started January 12, 1999 / ended February 8, 1999 (1,133,100 shares)
3. Buy Program #3 started February 9, 1999 / ended February 22, 1999 (588,100 shares)
4. Buy Program #4 started March 18, 1999 / ended March 25, 1999 (2,262,000 shares)
5. Buy Program #5 started March 26, 1999 / ended May 18, 1999 (203,900 shares)

During Relational's five interim buy programs Relational purchased 4,674,000 shares. Relational had several discussions with Tektronix's investor relations department and had a meeting with senior management on March 19, 1999. On March 29, 1999 Relational filed a 13D on Tektronix.

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**RELATIONAL INVESTORS LLC  
AETNA, INC.  
Buy Program Details**

Investment: \$215 million

Purchase: August 22, 2001 through March 7, 2002

Sale: May 20, 2002 through July 12, 2002

Purchase Execution: Relational's total buy program in Aetna was spread over seven distinct interim buy programs which started on the following dates:

1. Buy Program #1 started August 22, 2001 / ended August 24, 2001 (687,000 shares)
2. Buy Program #2 started August 27, 2001 / ended September 6, 2001 (997,500 shares)
3. Buy Program #3 started September 10, 2001 / ended September 20, 2001 (800,000 shares)
4. Buy Program #4 started September 24, 2001 / ended October 3, 2001 (983,900 shares)
5. Buy Program #5 started November 1, 2001 / ended November 2, 2001 (485,500 shares)
6. Buy Program #6 started November 5, 2001 / ended November 7, 2001 (2,546,100 shares)
7. Buy Program #7 started March 2, 2002 / ended March 7, 2002 (600,000 shares)

During Relational's seven interim buy programs Relational purchased 7,100,000 shares. Relational had several discussions with Aetna's investor relations department and had meetings and discussions with Aetna's senior management and members of the board of directors in November 2001 and early 2002, respectively, prior to the completion of the final buy program.

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